

Charity Registration No. 1163885

Company Registration No. 08045437 (England and Wales)

MAGIC (UK) LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

PAGES FOR FILING WITH REGISTRAR

MAGIC (UK) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|--|
| Trustees | C Pocock Mrs C Cooper Mrs J Daly |
| Charity number | 1163885 |
| Company number | 08045437 |
| Registered office | Bradbury House View Road Cliffe Woods Rochester Kent ME3 8UJ |
| Independent examiner | Crossley Financial Accounting Star House Star Hill Rochester Kent ME1 1UX |

MAGIC (UK) LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 5 |
| Independent examiner's report | 6 |
| Statement of financial activities | 7 |
| Statement of financial position | 8 - 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 - 21 |

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 30 APRIL 2019

The trustees present their report and financial statements for the year ended 30 April 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's deed of trust, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The organisation is established to:

- Help and support families with children with autistic spectrum disorder within the Medway Towns.
- Provide a centre of information relating to autism and co-existing disorders.
- Establish and maintain a parent based advisory group for sharing information.
- Arrange activities for the purpose of social skills development for children with autistic spectrum disorders offering extra curricular activities otherwise unavailable to them.
- Provide and manage drop in centre within the Medway Towns for use by families and those working with children with autistic spectrum disorders.
- Create and make available a directory of local agencies offering services for families with children with autistic spectrum disorder's and professionals working with such children.

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Committee of Management consider how planned activities will contribute to the aims and objectives they have set.

Significant Activities

The organisation operates the following activities for it beneficiaries:

MAGIC Activity Days

Magic Activity Days are designed to improve outcomes and progress for all children with autism offering high quality, fun activities in a safe and supported environment, whilst encouraging the involvement of parent and carers. Due to changes in funding these will not be being run for the foreseeable future until an alternative funding source can be located.

MAGIC Coffee Morning

A gathering for parents to meet informally to socialise and to give and receive support to and from other members. The coffee mornings on occasion are a forum for guest speakers, training sessions and Q&A sessions to provide parents and carers with more structured support.

MAGIC Youth Club

We ran three weekly sessions, one for under 13s, one for over 13s and one for over 18s. These have now been reduced to 1 per week due to changes in the way funding is provided.

Monkey Bizz MAGIC

An informal social for parents and children to share experiences and information.

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

MAGIC Arc

Magic's Additional Learning Centre (ARC) provided tuition and learning support for 5-25 year olds with an autism spectrum condition. Having been granted independent school status for 5-18 year olds the school continues to run but has been rebranded City of Rochester School as of September 2019.

Volunteers

During the year 38 volunteers have provided their services to the charity which equated to 200 hours of donated time.

Achievements and performance

The charity's major objectives, which are described above, have continued throughout the period of this report. Other one off activities also take place from time to time such as Halloween disco, Christmas party, etc.

The significant change to the activities offered by the charity has been with a change in funding for activity days and youth clubs involving direct payments, there is not enough funding available or demand to provide the services as they have been provided in the past. New ways are being investigated to source funding to provide these services in a new format moving forward.

Key Performance Indicators

Tuition income as a percentage of total income - £625,720, 89.57% of total income, down 9.79% from last year.

Wages are £390,719, which is 64.34% of total expenditure, a decrease of 13.91% from last year. Wages as a percentage of total income are 55.93% in 2019, 75.89% in 2018 and 84.79% in 2017.

Donations of £14,592 in 2019, are down 44.56% from last year, and are 2.09% of total income in 2019.

Financial review

Reserves Policy

The Committee of Management recognise the need for the organisation to keep in reserve a level of funds that will enable it to continue supporting its beneficiaries for the foreseeable future.

The Committee of Management also recognise that the funds of the organisation where possible should be reinvested into the activities that it provides for its beneficiaries.

With this in mind the committee has agreed that the level of reserves held should be sufficient to support one terms activities and are working towards this.

There were total reserves at the balance sheet date of £206,327 (2018: £115,031 & 2017: £89,767). Restricted funds at the year-end were £Nil (2018: £12,396 & 2017: £34,130).

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Future Plans

We are also in a charity partnership with Lloyd's for three years to support MAGIC Ltd, support the objectives and aims of the charity and have a positive impact in the community.

The school has been opened and registered with spaces available for up to 60 pupils, we are looking to fill all spaces and our aim is to provide educational excellence and grow in this area.

Structure, governance and management

Governing Document

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity Constitution

Magic Ltd is a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 25 April 2012. It is registered as a charity with the Charity Commission.

Trustees during the year

C Pocock

Mrs C Cooper

Mrs J Daly

P Thomas

R Lee

(Resigned 5 March 2019)

(Resigned 29 January 2019)

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Recruitment and Appointment of New Committee Members

Members of the organisation are invited to serve on the committee of management.

Once a new trustee has been recruited in line with the processes laid out in the charity's governing documents, they are given access to a private trustees only shared cloud drive. On this shared page are a number of the latest documents required to provide a basic induction for all new trustees and for reference for all trustees on an ongoing basis. Shared documents include:

- Articles of association
- Certificate of incorporation
- Charities commission certificate
- Policy documents
- Organisational structure diagram
- Most recent annual report
- Most recent annual accounts
- Quarterly management accounts
- Minutes of previous trustees meetings
- Being a trustee CC3 "the Essential Trustee: what you need to know" (charity commission)
www.charitycommission.gov.uk/publications/cc3.aspx

In addition to this access, all new trustees are invited to visit the charity's main office to meet the senior management team, staff and where appropriate service users to better understand the charity and its people.

Organisational Structure

The organisation and its property is administered and managed in accordance with the constitution by the members of the Management Committee.

The Management Committee consists of not less than three members and not more than nine members.

The Management Committee has delegated the responsibility for the day to day operation of the organisation to the CEO of Magic (UK) Ltd who for the period 01/05/2017 to 30/04/2018 was Gayna Simmonds. Gayna Simmonds has since resigned and as at the time of writing, a replacement has not been appointed, Claire Cooper, trustee covering the essential functions in the interim.

MAGIC (UK) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. This is reviewed regularly by trustees at their meetings.

Key Management Personnel Remuneration

Trustees now review and consider the remuneration of key management personnel annually.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mrs C Cooper

Trustee

Dated: 29 January 2020

MAGIC (UK) LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MAGIC (UK) LIMITED

I report to the trustees on my examination of the financial statements of Magic (UK) Limited (the charity) for the year ended 30 April 2019.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

S Meah FCCA
Crossley Financial Accounting
Chartered Accountants

29 January 2020
Star House
Star Hill
Rochester
ME1 1UX

Dated: 29 January 2020

MAGIC (UK) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2019

| | | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total 2018 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | 16,114 | - | 16,114 | 43,277 | 1,040 | 44,317 |
| Income from charitable activities | | | | | | | |
| General | 4 | 664,337 | - | 664,337 | 730,374 | - | 730,374 |
| Other trading activities | 5 | 14,476 | - | 14,476 | 59,513 | - | 59,513 |
| Investments | 6 | - | - | - | - | 1,270 | 1,270 |
| Other income | 7 | 3,657 | - | 3,657 | 115 | - | 115 |
| Total income | | 698,584 | - | 698,584 | 833,279 | 2,310 | 835,589 |
| Expenditure on: | | | | | | | |
| Raising funds | | | | | | | |
| Charitable activities expenditure | 8 | 602,492 | - | 602,492 | 786,031 | 24,294 | 810,325 |
| Other | | 4,797 | - | 4,797 | - | - | - |
| Total resources expended | | 607,289 | - | 607,289 | 786,031 | 24,294 | 810,325 |
| Net incoming resources before transfers | | 91,295 | - | 91,295 | 47,248 | (21,984) | 25,264 |
| Gross transfers between funds | | 12,396 | (12,396) | - | - | - | - |
| Net income/(expenditure) for the year/ Net movement in funds | | 103,691 | (12,396) | 91,295 | 47,248 | (21,984) | 25,264 |
| Fund balances at 1 May 2018 | | 102,635 | 12,396 | 115,031 | 55,387 | 34,380 | 89,767 |
| Fund balances at 30 April 2019 | | 206,326 | - | 206,326 | 102,635 | 12,396 | 115,031 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MAGIC (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2019

| | | 2019 | | 2018 | |
|--|-------|-----------------|-----------------------|------------------|-----------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 13 | | 453,721 | | 470,067 |
| Current assets | | | | | |
| Stocks | 14 | 300 | | 300 | |
| Debtors | 15 | 39,559 | | 26,805 | |
| Cash at bank and in hand | | 120,097 | | 59,419 | |
| | | <u>159,956</u> | | <u>86,524</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(93,920)</u> | | <u>(121,211)</u> | |
| Net current assets/(liabilities) | | | 66,036 | | (34,687) |
| Total assets less current liabilities | | | <u>519,757</u> | | <u>435,380</u> |
| Creditors: amounts falling due after more than one year | 18 | | (313,431) | | (320,349) |
| Net assets | | | <u><u>206,326</u></u> | | <u><u>115,031</u></u> |

MAGIC (UK) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 APRIL 2019

| | Notes | 2019 | | 2018 | |
|------------------------------|-------|----------------|----------------|----------------|----------------|
| | | £ | £ | £ | £ |
| Income funds | | | | | |
| Restricted funds | 19 | - | - | 12,396 | 12,396 |
| Unrestricted funds - general | | 206,326 | 206,326 | 102,635 | 102,635 |
| | | <u>206,326</u> | <u>206,326</u> | <u>115,031</u> | <u>115,031</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 April 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29 January 2020

Mrs C Cooper
Trustee

Company Registration No. 08045437

MAGIC (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 21 | | 90,422 | | 25,062 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (2,376) | | (568) | |
| Proceeds on disposal of tangible fixed assets | | 527 | | 31,942 | |
| Interest received | | - | | 1,270 | |
| | | <u> </u> | | <u> </u> | |
| Net cash (used in)/generated from investing activities | | | (1,849) | | 32,644 |
| Financing activities | | | | | |
| Repayment of bank loans | | (27,895) | | (35,546) | |
| | | <u> </u> | | <u> </u> | |
| Net cash used in financing activities | | | (27,895) | | (35,546) |
| Net increase in cash and cash equivalents | | | 60,678 | | 22,160 |
| Cash and cash equivalents at beginning of year | | | 59,419 | | 37,260 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of year | | | <u>120,097</u> | | <u>59,419</u> |

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Charity information

Magic (UK) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bradbury House, View Road, Cliffe Woods, Rochester, Kent, ME3 8UJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under the heading that aggregates all costs related to the category. Where costs cannot be attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|-----------------------------|
| Freehold land and buildings | 2% on cost |
| Leasehold improvements | Straight line over 20 years |
| Plant and equipment | Straight line over 5 years |
| Fixtures and fittings | Straight line over 5 years |
| Computers | Straight line over 3 years |
| Motor vehicles | Straight line over 5 years |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Company Status

In the event of winding up of the charity each member of the Charity undertakes to contribute such sum as may be required, not exceeding £1 each.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds general 2019 £ | Unrestricted funds general 2018 £ | Restricted funds 2018 £ | Total 2018 £ |
|--------------------------|---|---|----------------------------------|--------------------|
| Donations and gifts | 14,592 | 25,282 | 1,040 | 26,322 |
| Membership fees | 1,522 | 3,579 | - | 3,579 |
| Medway Council Transport | - | 14,416 | - | 14,416 |
| | <u>16,114</u> | <u>43,277</u> | <u>1,040</u> | <u>44,317</u> |

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

4 Income from charitable activities

| | General 2019 £ | General 2018 £ |
|-----------------------------------|----------------------|----------------------|
| Tuition | 625,720 | 666,629 |
| Performance related grants | 38,617 | 63,745 |
| | <u>664,337</u> | <u>730,374</u> |
| Performance related grants | | |
| Aiming High | 38,617 | 63,745 |
| | <u>38,617</u> | <u>63,745</u> |

5 Other trading activities

| | Unrestricted funds general 2019 £ | Unrestricted funds general 2018 £ |
|--------------------------------|---|---|
| Fundraising events | 310 | 225 |
| Cafe | 1,081 | 4,002 |
| Trading activity income: other | 13,085 | 55,286 |
| | <u>14,476</u> | <u>59,513</u> |

6 Investments

| | Total 2019 £ | Restricted funds 2018 £ |
|----------------------|--------------------|----------------------------------|
| Caravan booking fees | - | 1,270 |
| | <u>-</u> | <u>1,270</u> |

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

7 Other income

| | Unrestricted funds general 2019 £ | Unrestricted funds general 2018 £ |
|--------------|--|---|
| Other income | 3,657 | 115 |

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

8 Charitable activities expenditure

| | General | | Total General | | Caravan | Youth Club | Coffee Morning | | Total |
|--|---------|---------|---------------|--------|---------|------------|----------------|---------|--------|
| | 2019 | 2018 | 2019 | 2018 | | | 2018 | 2018 | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Staff costs | 390,719 | 390,719 | 634,087 | - | - | - | - | 634,087 | - |
| Depreciation and impairment | 13,398 | 13,398 | 15,019 | 2,076 | - | - | - | 17,095 | - |
| Premises Costs | 53,062 | 53,062 | 41,180 | - | - | - | - | 41,180 | - |
| Office Costs | 5,499 | 5,499 | 4,771 | - | - | - | - | 4,771 | - |
| Activity Costs | 9,416 | 9,416 | 10,816 | 22,218 | - | 905 | - | 771 | 34,710 |
| Travel and Fuel | 6,346 | 6,346 | 9,020 | - | - | - | - | - | 9,020 |
| Computer and Software | 6,988 | 6,988 | 3,964 | - | - | - | - | - | 3,964 |
| Volunteer Expenses | 469 | 469 | 2,525 | - | - | - | - | - | 2,525 |
| Training | 11,216 | 11,216 | 4,009 | - | - | - | - | - | 4,009 |
| Professional Fees | 36,486 | 36,486 | 24,362 | - | - | - | - | 24,362 | - |
| School Supplies | 7,733 | 7,733 | 2,385 | - | - | - | - | - | 2,385 |
| Magic Bean Cafe | 2,366 | 2,366 | 7,288 | - | - | - | - | - | 7,288 |
| Bank Charges and Loan Interest | 13,769 | 13,769 | 12,341 | - | - | - | - | - | 12,341 |
| Fund Raising Costs | 162 | 162 | 416 | - | - | - | - | - | 416 |
| Share of support costs (see note 9) | 557,629 | 557,629 | 772,183 | 24,294 | 905 | 771 | 798,153 | - | |
| Share of governance costs (see note 9) | 40,663 | 40,663 | 6,536 | - | - | - | 6,536 | - | |
| | 4,200 | 4,200 | 5,636 | - | - | - | 5,636 | - | |
| | 602,492 | 602,492 | 784,355 | 24,294 | 905 | 771 | 810,325 | - | |
| | 602,492 | 602,492 | 784,355 | - | - | - | - | - | |
| Analysis by fund | | | | | | | | | |
| Unrestricted funds - general | 602,492 | 602,492 | 784,355 | - | 905 | 771 | 786,031 | - | |
| Restricted funds | - | - | - | 24,294 | - | - | 24,294 | - | |

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

| 9 Support costs | Support costs | Governance | 2019 | Support costs | Governance | 2018 |
|--|---------------|--------------|---------------|---------------|--------------|---------------|
| | £ | costs £ | £ | £ | costs £ | £ |
| Sundries | 5,592 | - | 5,592 | 5,932 | - | 5,932 |
| Marketing | 479 | - | 479 | 604 | - | 604 |
| Recruitment costs | 21,814 | - | 21,814 | - | - | - |
| Accountancy fees | 12,778 | - | 12,778 | - | - | - |
| Accounts preparation and independent examiner's fees | - | 4,200 | 4,200 | - | 5,636 | 5,636 |
| | <u>40,663</u> | <u>4,200</u> | <u>44,863</u> | <u>6,536</u> | <u>5,636</u> | <u>12,172</u> |
| Analysed between | | | | | | |
| Charitable activities | <u>40,663</u> | <u>4,200</u> | <u>44,863</u> | <u>6,536</u> | <u>5,636</u> | <u>12,172</u> |

10 Trustees

During the year, J Daly was paid £12,600 on a self-employed consultancy basis to provide cover as head teacher while a permanent replacement could be found. Figures as approved by the charities commission.

C Cooper was paid £10,800 on a self-employed consultancy basis to help keep the charity operational until a replacement CEO could be found. Figures as approved by the charities commission.

CooperDaly Solutions CIC where both J Daly and C Cooper are directors was also contracted in April 2018 to provide 10 "team teach" training places for the sum of £600.

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2019 Number | 2018 Number |
|---------------|----------------|----------------|
| Monthly staff | 9 | 15 |
| Weekly staff | 6 | 8 |
| | <u>15</u> | <u>23</u> |

Employment costs

| | 2019 £ | 2018 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 356,168 | 583,066 |
| Social security costs | 34,551 | 51,021 |
| | <u>390,719</u> | <u>634,087</u> |

There were no employees whose annual remuneration was £60,000 or more during the period, however, a Head Teacher employed as at 01/03/2019 was agreed a salary of £69,000.

12 Key management personnel

The key management personnel of the charity comprise the head teacher - appointed 01/03/2019

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity for the year was £11,500 (2018: £83,975 to CEO).

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

| 13 Tangible fixed assets | Freehold land and buildings | | Leasehold improvements | | Plant and equipment | | Fixtures and fittings | | Computers | | Motor vehicles | | Total |
|------------------------------------|-----------------------------|---|------------------------|---|---------------------|---|-----------------------|---|-----------|---|----------------|--|----------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | | |
| Cost | | | | | | | | | | | | | |
| At 1 May 2018 | 475,000 | | 5,010 | | 4,741 | | 10,575 | | 7,662 | | 1,050 | | 504,038 |
| Additions | - | | - | | 276 | | - | | 2,100 | | - | | 2,376 |
| Disposals | - | | (2,561) | | (2,594) | | (2,026) | | (3,143) | | - | | (10,324) |
| At 30 April 2019 | 475,000 | | 2,449 | | 2,423 | | 8,549 | | 6,619 | | 1,050 | | 496,090 |
| Depreciation and impairment | | | | | | | | | | | | | |
| At 1 May 2018 | 19,000 | | 627 | | 2,360 | | 5,147 | | 5,787 | | 1,050 | | 33,971 |
| Depreciation charged in the year | 9,500 | | 122 | | 502 | | 1,759 | | 1,515 | | - | | 13,398 |
| Eliminated in respect of disposals | - | | (320) | | (1,274) | | (1,046) | | (2,360) | | - | | (5,000) |
| At 30 April 2019 | 28,500 | | 429 | | 1,588 | | 5,860 | | 4,942 | | 1,050 | | 42,369 |
| Carrying amount | | | | | | | | | | | | | |
| At 30 April 2019 | 446,500 | | 2,020 | | 835 | | 2,689 | | 1,677 | | - | | 453,721 |
| At 30 April 2018 | 456,000 | | 4,383 | | 2,381 | | 5,428 | | 1,875 | | - | | 470,067 |

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

| | | | | |
|-----------|--|--------------|-------------------|-------------------|
| 14 | Stocks | | 2019 | 2018 |
| | | | £ | £ |
| | Valuation | | 300 | 300 |
| | | | <u> </u> | <u> </u> |
| 15 | Debtors | | 2019 | 2018 |
| | Amounts falling due within one year: | | £ | £ |
| | Trade debtors | | 30,444 | 18,744 |
| | Other debtors | | 5,792 | 6,719 |
| | Prepayments and accrued income | | 3,323 | 1,342 |
| | | | <u> </u> | <u> </u> |
| | | | <u> </u> | <u> </u> |
| | | | 39,559 | 26,805 |
| | | | <u> </u> | <u> </u> |
| 16 | Loans and overdrafts | | 2019 | 2018 |
| | | | £ | £ |
| | Bank loans | | 321,521 | 349,416 |
| | | | <u> </u> | <u> </u> |
| | Payable within one year | | 8,090 | 29,067 |
| | Payable after one year | | 313,431 | 320,349 |
| | | | <u> </u> | <u> </u> |
| | | | <u> </u> | <u> </u> |
| 17 | Creditors: amounts falling due within one year | | 2019 | 2018 |
| | | Notes | £ | £ |
| | Bank loans | 16 | 8,090 | 29,067 |
| | Other taxation and social security | | 5,821 | 6,946 |
| | Trade creditors | | 8,458 | 18,961 |
| | Accruals and deferred income | | 71,551 | 66,237 |
| | | | <u> </u> | <u> </u> |
| | | | <u> </u> | <u> </u> |
| | | | 93,920 | 121,211 |
| | | | <u> </u> | <u> </u> |
| 18 | Creditors: amounts falling due after more than one year | | 2019 | 2018 |
| | | Notes | £ | £ |
| | Bank loans | 16 | 313,431 | 320,349 |
| | | | <u> </u> | <u> </u> |
| | | | <u> </u> | <u> </u> |

MAGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | | |
|-------------|--------------------------|-----------------------|-----------------------|--------------------------|-----------------|-----------------------------|
| | Balance at 1 May 2017 | Incoming resources | Resources expended | Balance at 1 May 2018 | Transfers | Balance at 30 April 2019 |
| | £ | £ | £ | £ | £ | £ |
| Caravan | 34,380 | - | (23,024) | 11,356 | (11,356) | - |
| Kent sports | - | 1,040 | - | 1,040 | (1,040) | - |
| | <u>34,380</u> | <u>1,040</u> | <u>(23,024)</u> | <u>12,396</u> | <u>(12,396)</u> | <u>-</u> |

20 Secured Debt

HSBC bank registered a fixed and floating charge over the charity's assets on 22 July 2014.

HSBC bank registered a legal mortgage over the freehold premises of the charity on 14 January 2016.

21 Cash generated from operations

| | 2019 | 2018 |
|---|---------------|---------------|
| | £ | £ |
| Surplus for the year | 91,295 | 25,264 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | - | (1,270) |
| Loss on disposal of tangible fixed assets | 4,797 | - |
| Depreciation and impairment of tangible fixed assets | 13,398 | 17,095 |
| Movements in working capital: | | |
| (Increase) in debtors | (12,754) | (8,026) |
| (Decrease) in creditors | (6,314) | (8,001) |
| Cash generated from operations | <u>90,422</u> | <u>25,062</u> |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.